



Testimony of State Representative Sheryl Albers on Assembly Bill 874  
To the Assembly Committee on Criminal Justice  
February 27, 2008

I would like to thank you Chairman Kleefisch and members for allowing me to testify before you today on AB 874.

Last November, this committee unanimously recommended passage of Assembly Bill 340, which is a measure designed to crack down on organized retail crime. As you know, that bill enhanced the penalties against those who shoplift merchandise from retailers with the intent to sell it in flea markets or pawn shops. At the time, I expressed a desire to see AB 340 cover the sale of stolen property on the Internet. The author of AB 340, Chairman Kleefisch, pledged to work with me on separate legislation.

That separate legislation is the bill before you today, AB 874. Under this bill, a person who commits retail theft with the intent to sell that stolen property on the Internet would be guilty of a Class G felony, regardless of the value of that stolen property. In addition, a person who knowingly purchases stolen property over the Internet would also be guilty of a Class G felony.

Retail crime costs companies large and small tens of millions of dollars each year, and state tax revenues suffer as well. Wisconsin companies, like Liberty Flag in Reedsburg, have been victims as well. Its owner, Dave Gonzalez, is with us here today and he will share his experiences with you. Like Dave, I believe we need to give our retail theft laws some teeth and our district attorneys the ability to prosecute without relying on federal prosecutors and racketeering laws.

## Testimony of David J. Gonzalez on AB 874

Internet sales and theft of public and personal property is a faceless crime. It is a new type of crime. It has unique characteristics that make deterrence and prosecution difficult.

Here are some current legal and crime fighting difficulties with prosecution of the sale of stolen property over the internet.

1. The sale of anything over the internet can reach around the world in just seconds, therefore the tracking of the alleged stolen property is like skip tracing, it is slow, difficult, requires the receiver's participation, and takes enormous amounts of time to gather evidence.
2. This type of theft is on the rise, and local and federal agencies are completely unprepared to tackle this type of crime.
3. This kind of crime do not generate much enthusiasm. It uses no guns, has no windows broken, no one is killed; it will not end up on "Cops", or "Caught on Tape". Because of that, the media's old adage "if it bleeds, it leads", results in very little coverage of the crime. Lawmakers do not see this as media grabbing, local enforcement agencies do not understand the time investments, and prosecutors know that it is easier to prosecute a speeder, shoplifter, bank robber or even murderer, because the trail of evidence is generally easier to gather.
4. Frequently the departments responsible for investigating this type of crime are already overwhelmed in other areas. The FBI for example has their funding detailed by Congress, and the amounts of funds allocated to "internet sale of stolen merchandise", is way below the attention grabbing mass murders that we have seen, Al Qaeda operatives under surveillance, and the tracking of drug smugglers. This new form of crime gets little attention.
5. For example, one FBI agent informed me that any type of theft that they would get involved in would have to be over \$500,000, unless it had created another type of crime in the process, i.e.: use of a deadly weapon. Another agent informed me that their department had 38 cases to solve, turned many away, and had only one agent on it. In addition, that agent was instructed to devote 80% of their time on just one case, leaving the balance of "priority cases" with just an average of 10 minutes per week investigating time. Barely enough time to get a file out and sit down.
6. Local law enforcement is in the same boat. In addition, they see close up the penalties slapped on various crimes, and they can see that there is little recompense for all the work that they would invest, that would give an expected return. Courts are over-crowded, and local judges and DA's are both uniformed about this crime, and realize the demands of information and witnesses are more difficult to procure.
7. Every chat room, every web-server, and giants like FaceBook, Yahoo!, Google, rival EBay's perceived dominance in the area of the sale of stolen merchandise. People can sell anything anywhere on the web, as long as there are two people on-line.
8. Investigating agencies are always looking for something with teeth to aid in bringing a case to trial. Law enforcement is looking to discourage crime, and small penalties do little to thwart that.
9. The small sized dollar amounts this type of crime is an illusion. Those that practice this nightly from their kitchens or bedrooms while on-line, are good at it and use services like PayPal, multiple checking deposit accounts, and postal COD to cover the real losses of this crime.
10. Until lawmakers tackle this, and law enforcement get additional funding or encouragement to investigate this, it will grow bigger than the giant problem it already is.

Sincerely,

David J. Gonzalez

President/CEO Liberty World Class, Reedsburg, WI